

MEMO

DATE: November 4, 2004

TO: Community, Economic and Human Development Committee

FROM: Ping Chang, Acting Manager, Data and Monitoring Division
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RE: Draft Findings of the 2004 State of the Region Report

RECOMMENDED ACTION:

Information only.

SUMMARY:

Staff will present draft findings of the upcoming *2004 State of the Region Report* which is scheduled to be published in January 2005.

BACKGROUND:

Since 1998, SCAG has published a *State of the Region* report every year. Staff has prepared the report under the guidance of the Benchmarks Task Force. The list of current membership of the Benchmarks Task Force is included in Attachment 1. In addition, the process for last year's *2003 State of the Region* is also included in Attachment 2 for your information since this year is following a similar process.

The *State of the Region* reports annually on a series of indicators about our region's performance. A primary objective is to assist members of the Regional Council as they determine how the region is doing in meeting the goals in the *Regional Comprehensive Plan and Guide*. Information on the region's performance has also been widely disseminated to assist public officials, business and community leaders in developing appropriate strategies to improve our communities.

The upcoming *2004 State of the Region Report* will provide an assessment on how our six-county region performs on issue areas including Population, Economy, Housing, Transportation, Environment, Education and Safety. The Report also compares the performance of our region with other large metropolitan regions in the nation. Based on the information prepared by staff, the Benchmarks Task Force also develops a Report Card for our region.

At the meeting, staff will present to the Committee highlights of the upcoming *2004 State of the Region Report*.

Highlights of the upcoming 2004 State of the Region Report include the following regarding our six-county region:

1. Population

- In 2003, the region continued to grow faster than the rest of the state and the nation. However, growth rates in the region have decreased since 2000, similar to the trend for the rest of the state.
- Riverside County continued to have the fastest growth rate in 2003 while Los Angeles County had the largest increase in absolute numbers within the state.
- Natural increase and net migration each accounted for about half of the total growth.
- Different sources of growth contributed very differently among counties in the region.
- Ethnic transformation continued with increasing share of the Hispanic and Asian Populations.

2. The Economy

- Total payroll jobs increased 14,000 jobs (0.2 percent) in 2003 in contrast to the 22,000 (0.3 percent) job decline in 2002.
- Manufacturing and information sectors continued to suffer the most losses in 2003 though less severe than in 2002.
- Financial, health care and hospitality sectors led in generating new jobs in 2003.
- Employment in the government sector worsened the most in 2003.
- Unemployment rates increased very slightly from 6.1 to 6.2 percent between 2002 and 2003.
- Real average payroll per job (after adjusting for inflation) declined slightly (0.7 percent) in 2002 following the 0.3 percent decline in 2001. In 2002, per capita income in the SCAG region was only 85 percent of the average of the 17 largest metropolitan regions in the nation.
- Real per capita income declined 1.3 percent in 2002 but is estimated to have changed little in 2003.
- Lack of growth in median household income in the region since 2000.
- Long-term trend of increasing income inequality at the regional and national level.
- Close to 15 percent of residents were in poverty in 2003.

3. Housing

- Continued increase in building permits issued in 2003.
- Types of new housing units differed significantly among counties.
- Homeownership rates increased significantly in the Inland Empire and Ventura counties while declining significantly in Orange County and only slightly in Los Angeles County.
- Homeownership rate (55 percent) continued to be well below the national average (68 percent) and that of other major metros.

- Sharp increases in home prices and no growth in household income made housing less affordable.
- Rental cost burden increased with 53 percent of all renters paying 30 percent or more of their incomes, an increase of 4 percent since 2000.

4. Transportation

- Remained the most congested region in the nation in 2003.
- Significant increase in the number of highway fatalities (8 percent) between 2002 and 2003 while slightly declining at the national level.
- Average travel time to work remained unchanged from 2002 to 2003.
- Carpool share decreased by 1 percent between 2001 and 2003.
- Transit trips decreased by 2 percent in FY 2003 not including the effect of MTA labor union strike in late 2003.
- Air passengers increased by 1.1 million after losing 11 million during the previous two turbulent years.

5. The Environment

- Ozone conditions worsened significantly in 2003 partly due to hotter weather. (For the first 9 months in 2004, Ozone conditions improved significantly partly due to milder weather).
- The South Coast Air Basin experienced the first Stage 1 alert since 1998.
- Between 2002 and 2003, the number of days exceeding the federal 24-hour PM₁₀ standards increased in all three non-attainment basins (South Coast, Salton Sea and Mojave Desert) in the region.
- PM_{2.5} exceedance continued but with reduced annual average concentration level.
- CO continued to meet federal attainment standards.

6. Education

- Student test scores (8th grade) continued to perform below the national median except for Orange and Ventura counties
- Increase in high school dropout rates particularly in Los Angeles and San Bernardino counties.
- Slight improvements in educational attainment since 2001.
- Persistent racial/ethnic disparity in educational performance.

7. Safety

- Violent crime rates continued to decline by 3 percent, significant improvements in Los Angeles and Riverside counties.
- Juvenile felony arrest rates also improved with a 3 percent reduction.
- Hate crime activities at lowest level since 2001.

ATTACHMENT 1**Benchmarks Task Force Membership**

Hon. Ronald O. Loveridge, Mayor, City of Riverside, Task Force Chair
Hon. Debbie Cook, Councilmember, City of Huntington Beach, Task Force Vice Chair
Hon. Paul Bowlen, Councilmember, City of Cerritos
Hon. Edward "Ted" Burgnon, Councilmember, Town of Apple Valley
Hon. Mona Field, President, Board of Trustees, Los Angeles Community College District
Hon. Susan Longville, Councilmember, City of San Bernardino
Hon. Llewellyn Miller, Councilmember, City of Claremont
Hon. Paul Nowatka, Councilmember, City of Torrance
Hon. Pam O'Connor, Councilmember, City of Santa Monica
Hon. Toni Young, Mayor, City of Port Hueneme
Rick Bishop, Western Riverside Council of Governments
Kimberly Collins, San Diego State University (Imperial Valley Campus)
Fernando Guerra, Loyola Marymount University
Lee Hanson, California State University, San Bernardino
Dean Kubani, City of Santa Monica Environmental and Public Works
Jerilyn Lopez Mendoza, Environmental Defense
Dowell Myers, University of Southern California
Max Neiman, University of California, Riverside
Paul Ong, University of California, Los Angeles
Todd D. Priest, Building Industry Association of Southern California
Anil Puri, California State University, Fullerton
Ty Schuiling, San Bernardino Associated Governments
Arthur J. Shaw, Consulting Economist
Arnold Sherwood, University of California, Berkeley
Jim Stewart, Southern California Council on Environment and Development
Goetz Wolff, Center for Regional Employment Strategies and UCLA

ATTACHMENT 2

***The State of the Region 2003 Program
A Brief Description of the Objectives and Process***

Objectives

1. Tracking and assessing the performance of Southern California in comparison to other metropolitan regions in the nation.
2. Disseminating information on the region's performance to assist public officials, business and community leaders in developing appropriate strategies to improve our communities.
3. Informing and educating community residents on how our region is performing.

Targeted Audiences

1. Elected officials at local, state and federal levels.
2. Business and community leaders.
3. Key agency staff including local government planning directors.
4. Community groups and residents.

Implementation

1. With the guidance of a Benchmarks Task Force, which consists of elected officials and issue expert representatives in the region, SCAG staff collected and analyzed information regarding the performance of the region. Regional performance was assessed with respect to issues including demography, economy, housing, transportation, environment, education and public safety. A Report titled "*The State of the Region 2003*" was then prepared and released on February 5, 2004.
2. A total of 1,000 copies of *The State of the Region 2003* and 2,000 copies of the *Report Cards* have been mailed to many interested parties, including, for example:
 - SCAG Regional Council and Policy Committee members including more than 100 elected officials;
 - Chief County and City Administrators of 193 local governments in the region;
 - local government planning directors;
 - members of the state and congressional delegations; and
 - regional public libraries.
3. The full Report has been posted on the SCAG's home page (www.scag.ca.gov) since February 5, 2004 and has been downloaded more than 60,000 times.

4. The press conference to release *The State of the Region 2003* on February 5, 2004 received very prominent media coverage throughout Southern California. Report coverage included 26 newspapers (including 6 outside of the region), 6 TV stations and 6 radio stations. Specifically, newspaper coverage included the following:
 - Los Angeles Times
 - Los Angeles Daily News
 - Orange County Register
 - Riverside Press Enterprise
 - San Bernardino County Sun
 - Inland Valley Daily Bulletin
 - Antelope Valley Press
 - Long Beach Press Telegram
 - North County Times
 - Pasadena Star News
 - San Gabriel Valley Tribune
 - Santa Monica Daily Press
 - South Bay Daily Breeze
 - Whittier Daily News
 - Palm Springs Desert Sun
 - Temecula Californian
 - Victor Valley Daily Press
 - La Opinion
 - China Press
 - Chinese Daily News
 - Sing Tao
 - San Diego Union Tribute
 - Sacramento Bee
 - Contra Costa Times
 - Modesto Bee
 - San Jose Mercury News
 - Sarasota Herald Tribune
5. In addition to the media coverage, SCAG staff has also received invitations and made presentations to public and private organizations in the region.
6. *The State of the Region* has been used as course materials in universities such as UCLA, UC Riverside and University of Southern California.

